GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:2637
ANSWERED ON:14.03.2001
FOREIGN INVESTMENT IN FPI
ANANTRAO GUDHE

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government have taken or proposed any further initiatives to attract more foreign investments in Indian Food Processing Sector removing FDs irritants;

(b) if so, the details thereof alongwith the implications thereof;

(c) the present status of proposed Food Processing Act; and

(d) the implication and the various provisions proposed for Food Processing Act?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SHRI TH. CHAOBA SINGH)

(a) & (b): It has been proposed in the Budget 2001-02 to bring down the current Excise Duty of 16% to zero level for processed fruits and vegetables. It has also been proposed to give tax holiday for Industrial Estates. The proposed National FoodProcessing Policy envisages creation of enabling environment to encourage investments including foreign investments in this sector.

(c) & (d): An Approach Paper on the proposed Processed Food Development Act was drawn up and circulated to various Government Departments, State Governments and Industry Associations. Presently, the matter has been circulated to related Government Departments for their final comments. The proposed Act envisages harmonization and simplification of existing laws, development orientation, creation of a Development Fund, defining standards through a Processed Food Authority etc.